

# **EXHIBIT 1**

***The Schwartz Law Firm***

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AD Systems Communication Inc.  
495 State Street  
Salem, OR  
97301

February 28, 2011

**Attention:**

File #: 1111-001

Inv #: 1896

**RE:** AD Systems Communication Inc. - Ch 11

DATE	DESCRIPTION	HOURS	AMOUNT	LAWYER
Feb-01-11	Telephone call with and emails with RSN and KCC re: shareholders (.5)	0.50	92.50	JL
Feb-03-11	Attend to sale of systems and management services (0.3); attend to assignment of contracts (0.5)	0.80	320.00	RN
	Telephone call with RSN re: contracts (.3)	0.30	55.50	JL
Feb-04-11	Attend to contracts (1.2); telephone conference with M. Heil re sale of systems (0.2);	1.20	480.00	RN
	Telephone call with RSN re: contracts (.4); review and analyze contracts for spreadsheet (1.2)	1.60	296.00	JL
Feb-05-11	Review and analysis of contracts for spreadsheet	1.00	185.00	JL
Feb-07-11	Attention to chapter 11 case and contracts to sell insertion units (0.7). Confer with Ryan Nadick regarding the same (0.2).	0.90	265.50	BL
	Review of contracts for completion of spreadsheet (1.0); draft email to client re: contracts and spreadsheet (.3); draft exhibit A to assignment agreement (.4); confer with BAL re: assignment of contracts (.2); email assignment agreement to client (.1)	2.00	370.00	JL

Feb-08-11	Correspondence with client in regards to chapter 11 case and outstanding issues (0.3). Draft application to retain Sadler Gibb as auditors for the Debtor (1.1). Draft declaration in support of application to retain Sadler Gibb (0.6). Correspondence with client regarding the same (0.3).	2.30	678.50	BL
	Telephone call with client re: contracts (.1); draft, file, and service mailers for notice of entry of order for cash management motion (.5); email to client re: MOR's (.1)	0.70	129.50	JL
Feb-09-11	Attention to chapter 11 case and motion, order and supporting documents re: an ordering shortening time on the hearing to employ Sadler Gibb as auditors for the Debtor (1.2). Correspondence with counsel for Megavail (0.2) and client (0.2) regarding the same.	1.60	472.00	BL
	Telephone call with BAL and client re: Sadler Gibb retention application and contracts (.3); phone call to judge's deputy re: order shortening time for hearing on Sadler Gibb retention application (.2); draft order shortening time motion and accompanying documents (.5); file retention application and order shortening time documents (.3); prepare courtesy copies for retention application (.3)	1.30	240.50	JL
Feb-10-11	Drafting and filing of notice of hearing for Sadler Gibb retention application (.4); confer with BAL re: same (.1); service mailers and courtesy copies of application and notice (.7)	1.20	222.00	JL
Feb-11-11	Attention to the status report related issues, including call w/ M. Heil (.2) and schedules (.5)	0.70	332.50	SAS
	Attention to chapter 11 case and sale of insertion units (0.6). Correspondence with client regarding the same (0.2). Draft status report (0.7).	1.50	442.50	BL
	Telephone call with client re: contracts and status report (.2); confer with BAL and SAS re: same (.3); file status report and prepare courtesy copy (.3); email to client with copies of all contracts (.3)	1.10	203.50	JL

Feb-14-11	Emailed bankruptcy court to request hearing date for fee application (.1)	0.10	17.50	CC
	Preparation of file for hearings	0.30	55.50	JL
Feb-15-11	Attention to chapter 11 case and order authorizing the retention of Sadler Gibb as auditors (0.6). Correspondence with client regarding the same (0.2).	0.80	236.00	BL
	Prepare for and attend hearing on Status Conference and Application to Employ Sadler Gibbs	1.00	325.00	SEM
	Drafting order on application to retain Sadler & Gibb (.3); confer with SAS re: contracts (.2); phone call with client re: contracts (.2)	0.70	129.50	JL
Feb-16-11	Telephone conference w/ M. Heil re: executory contracts (.2); meet w/ J. Lee re: same (.1)	0.30	142.50	SAS
	Telephone call with client to review contracts (1.2); email to client re: Sadler Gibb retention order (.1)	1.30	240.50	JL
Feb-17-11	Attention to chapter 11 case and confer with Ryan Nadick regarding outstanding issues (0.5). Attention to monthly operating reports (0.5).	1.00	295.00	BL
	Telephone conference with M. Heil re potential sales and attend to same (0.3)	0.30	120.00	RN
	Telephone call with client to review contracts (.3)	0.30	55.50	JL
Feb-18-11	Telephone conference with S. Gruenhagen, M. Heil and others re sale of insertion equipment, management of same and related matters and attend to same (0.5)	0.50	200.00	RN
Feb-21-11	Prepare first interim fee application.	0.50	147.50	BL
Feb-22-11	Telepone conferences with M. Heil and J. Lee re potential sales and other open issues (0.5); attend to same (0.7)	1.20	480.00	RN
	Drafting of certificate of service and notice of 1st fee application (.6); file application and notice (.3); service mailers of notice and application to creditors (.6)	1.50	277.50	JL

Feb-25-11	Amended and filed schedules; emailed client re: same (.1)	0.40	74.00	JL
Feb-28-11	Telephone conference w/ M. Heil re: strategy and tactics (.3) and meetings w/ R. Nadick re: same (.3)	0.60	285.00	SAS
	Totals	29.50	<u>\$7,866.50</u>	

**DISBURSEMENTS**

Photocopies	39.40
Postage	32.38
Totals	<u>\$71.78</u>
	<u><b>\$7,938.28</b></u>